

Exhibit B2

Relevant Deposition Excerpts for Jo Ann Sala

SIPC v BLMIS

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Page 1

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

SECURITIES INVESTOR PROTECTION
CORPORATION,

Adv.Pro.No.
08-01789(SMB)

Plaintiff,

SIPA Liquidation

v.

(Substantially
Consolidated)

BERNARD L. MADOFF INVESTMENT
SECURITIES, LLC,

Defendant.

CONFIDENTIAL

-----X

In Re:

BERNARD L. MADOFF,

Debtor.

-----X

Videotaped Deposition of JO ANN SALA as
reported by Nancy C. Bendish, Certified Court
Reporter, RMR, CRR and Notary Public of the
States of New York and New Jersey, at the home
of JO ANN SALA, 23 Shady Court, Bay Shore,
New York, on Thursday, May 19, 2016, commencing
at 10:05 a.m.

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13 (Pages 46 to 49)

Page 46	Page 48
<p>1 this document?</p> <p>2 A. Looks like Jodi's.</p> <p>3 Q. Do you see the entry that's about</p> <p>4 a quarter of the way down the page that appears</p> <p>5 to be in a different handwriting that says "R.</p> <p>6 Jaffe"?</p> <p>7 A. Um-hum.</p> <p>8 Q. Yes?</p> <p>9 A. Yes.</p> <p>10 Q. Do you recognize that handwriting?</p> <p>11 A. It looks like Annette's.</p> <p>12 Q. I'd like to turn to the next page,</p> <p>13 which is HWN00001651. Ms. Sala, do you</p> <p>14 recognize this document?</p> <p>15 MS. CHAITMAN: I'm sorry, did you</p> <p>16 say 1701?</p> <p>17 MS. BROWN: 1651.</p> <p>18 MS. CHAITMAN: Okay, okay.</p> <p>19 A. It's the same thing, only there's</p> <p>20 two capital withdrawals on the bottom.</p> <p>21 Q. And what's a capital withdrawal?</p> <p>22 A. That's -- they're people that --</p> <p>23 first of all, that's an option account, the 3-0.</p> <p>24 And that's when they don't receive profits, they</p> <p>25 just roll the money over into new stock, but</p>	<p>1 Q. When you say "that," I just need</p> <p>2 to read the page number for the record. Can I</p> <p>3 see that page back.</p> <p>4 You're not sure of whose</p> <p>5 handwriting is --</p> <p>6 A. Right.</p> <p>7 Q. -- marked on page ending in 1483,</p> <p>8 that's HWN00001483.</p> <p>9 A. Um-hum.</p> <p>10 Q. Okay.</p> <p>11 A. There was one that looked like</p> <p>12 Annette's. That's what I was looking for.</p> <p>13 MS. CHAITMAN: 1622 is the one</p> <p>14 that you said had handwriting that looked like</p> <p>15 Annette's. Your testimony was, where it says R.</p> <p>16 Jaffe.</p> <p>17 A. I don't know, this could be</p> <p>18 Winnie's, it could be anyone's. I don't know.</p> <p>19 Q. Ms. Sala, I just want to be clear</p> <p>20 which page we're talking about right now.</p> <p>21 I would like to turn back to the</p> <p>22 page ending in HWN00001651.</p> <p>23 A. 1-6. I don't really know the</p> <p>24 handwriting, no.</p> <p>25 Q. Okay. Do you see the notations</p>
Page 47	Page 49
<p>1 when they need money, they take it out. That's</p> <p>2 a capital withdrawal.</p> <p>3 Q. And how does that differ from a</p> <p>4 profit withdrawal?</p> <p>5 A. Well, because if you don't need</p> <p>6 the money, you wouldn't take it out, you just</p> <p>7 roll it over into new stock.</p> <p>8 Q. Do you recognize the handwriting</p> <p>9 on this document?</p> <p>10 A. It looks like Annette's.</p> <p>11 Q. And how are you familiar with</p> <p>12 Annette's handwriting?</p> <p>13 A. I've just seen it over the years.</p> <p>14 I'm not positive it's hers; it looks sort of</p> <p>15 like it.</p> <p>16 Q. And to your knowledge these</p> <p>17 entries are similar to the entries we discussed</p> <p>18 on pages ending in 1538 and 1561?</p> <p>19 A. Ah-hah.</p> <p>20 Q. Yes?</p> <p>21 A. Oh, sorry.</p> <p>22 Q. Can I help you?</p> <p>23 A. Yes. When you said about the</p> <p>24 handwriting, there was one that I was sure of.</p> <p>25 I don't know whose that is, I don't.</p>	<p>1 approximately in the middle of the page with PW?</p> <p>2 A. Yes.</p> <p>3 Q. And to your knowledge do those</p> <p>4 represent profit withdrawal transactions?</p> <p>5 A. Yes.</p> <p>6 Q. And to your knowledge are those</p> <p>7 profit withdrawal transactions checks that were</p> <p>8 sent to customers?</p> <p>9 A. Yes.</p> <p>10 Q. And this appears to you to be a</p> <p>11 page in the check-out book?</p> <p>12 A. Yes.</p> <p>13 Q. If we could turn to page -- it's</p> <p>14 two pages forward, it's page HWN00001655. Do</p> <p>15 you recognize the handwriting on this page, Ms.</p> <p>16 Sala?</p> <p>17 A. It might be Fran's. I'm not sure.</p> <p>18 Q. And when you say Fran --</p> <p>19 A. Barbato.</p> <p>20 Q. Barbato.</p> <p>21 A. Could be anybody's. It could be</p> <p>22 Winnie's. You know, I don't know handwriting.</p> <p>23 It's pretty neat.</p> <p>24 Q. Does this document appear to you</p> <p>25 to be related to profit withdrawals?</p>

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15 (Pages 54 to 57)

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<p>1 send account, did that customer have to request 2 his profits each time the profits are due? 3 A. No. 4 Q. In the event -- strike that. 5 If an account is marked as a send 6 account, does that customer receive his profits 7 when they're due automatically? 8 A. Yes. 9 Q. If a customer account was marked 10 as a reinvest account, what did that mean? 11 A. That means if they -- they just 12 kept rolling their money over. If they wanted 13 money, they had to send us a letter. But even 14 if a send wanted extra money, they had to send 15 in a letter. 16 Q. So let's break that down a little 17 bit. Let's talk about a send account right now. 18 With a send account, that account 19 can receive their profits without writing to 20 BLMIS each time they want their profits? 21 A. Yes. 22 Q. They receive them automatically? 23 A. Yes. 24 Q. If a send account wants an 25 additional amount to their profits, however,</p>	<p>1 Q. And that would be a capital 2 withdrawal? 3 A. Right, yes. 4 Q. And the capital withdrawal, does 5 that have an abbreviation within the records of 6 BLMIS? 7 A. On the check, yeah. In the 8 checkbook, the check-out book, if they wanted 9 extra money, it was a CW. 10 Q. And if they wanted just their 11 profits sent, what type of notation did you use 12 for those transactions? 13 A. We didn't; it was a PW. 14 Q. So, I want to turn to when an 15 account was set up. How was it determined 16 whether an account was a send account or a 17 reinvest account? 18 A. Whatever they wanted to do. 19 Q. When you say "they," you mean the 20 customer? 21 A. The customer, yeah. 22 Q. And did the customer communicate 23 that to BLMIS over the phone? 24 A. I don't know. I don't know. They 25 would just tell me how to set it up, and I would</p>
Page 55	Page 57
<p>1 they would need to send that request in writing 2 to BLMIS? 3 A. Yes. 4 Q. So there's two different types of 5 transactions that we're talking about? 6 A. Um-hum. 7 Q. Yes? 8 A. Yes. 9 Q. And the profit in a send account 10 are sent without any written request from the 11 customer? 12 A. Yes. 13 Q. And the one-off amounts -- sorry. 14 The additional amounts that you referred to 15 would have to be requested in writing? 16 A. Yes. 17 Q. In a send account? 18 A. Yes. Which would be a capital 19 withdrawal. 20 Q. When you say which would be a 21 capital withdrawal, are you referring to the 22 amounts in addition to the profits? 23 A. Yes. 24 Q. That were requested in writing? 25 A. Yes.</p>	<p>1 set it up that way. 2 Q. And when you say they would tell 3 you how to set it up -- 4 A. Bernie or Annette. 5 Q. And they would tell you whether to 6 have it be a send account or a reinvest account? 7 A. Yes. 8 Q. And were customers able to change 9 their account from a send to a reinvest account? 10 A. Yes. 11 Q. And were they able to change their 12 account from a reinvest to a send account? 13 A. Yes. 14 Q. And do you know how those changes 15 were communicated to BLMIS? 16 A. In writing. 17 Q. When a customer requested a change 18 such as from send to reinvest, what then 19 happened within BLMIS? 20 A. When the deal that they were in 21 came due, it would be changed. 22 Q. When you say it would be changed, 23 what do you mean? 24 A. From a reinvest to a send or a 25 send to a reinvest.</p>

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16 (Pages 58 to 61)

<p style="text-align: right;">Page 58</p> <p>1 Q. And was that change marked in</p> <p>2 BLMIS's records anywhere, to your knowledge?</p> <p>3 A. I don't know.</p> <p>4 Q. I just want to go back over a</p> <p>5 couple of things. If the account was marked as</p> <p>6 a send account, the customer received their</p> <p>7 profits by check generally?</p> <p>8 A. Yes.</p> <p>9 Q. And if the account was a send</p> <p>10 account and the BLMIS -- excuse me -- BLMIS sent</p> <p>11 the customer a check, was the check generally</p> <p>12 made out to the customer whose name was listed</p> <p>13 on the statement, the customer statement?</p> <p>14 A. Yes.</p> <p>15 Q. We've touched on both PWs and CWs,</p> <p>16 and I think you hit upon a couple of different</p> <p>17 things, but I want to talk about the different</p> <p>18 ways that customers could withdraw money from</p> <p>19 BLMIS.</p> <p>20 Was it possible for customers to</p> <p>21 set up standing monthly withdrawals?</p> <p>22 A. Yes.</p> <p>23 Q. And did they do -- were customers</p> <p>24 making standing monthly withdrawal requests in</p> <p>25 writing?</p>	<p style="text-align: right;">Page 60</p> <p>1 A. Yes.</p> <p>2 Q. And they would have to request</p> <p>3 those additional amounts in writing?</p> <p>4 A. Yes.</p> <p>5 Q. But the profits they would not</p> <p>6 have to make individual requests each time they</p> <p>7 wanted their profits?</p> <p>8 A. No.</p> <p>9 Q. You testified about, or referred</p> <p>10 to the deals and the length of the deals.</p> <p>11 A. Um-hum.</p> <p>12 Q. How was it determined how long a</p> <p>13 deal would be offered for?</p> <p>14 A. David, when he gave me the ticket,</p> <p>15 it would say it's a six-week deal, a four-week</p> <p>16 deal, whatever he had on there.</p> <p>17 Q. So David determined that for you?</p> <p>18 A. Yes.</p> <p>19 Q. And that's David Kugel?</p> <p>20 A. Yes.</p> <p>21 Q. Ms. Sala, I do want to turn to</p> <p>22 looking at some documents, so if you need to</p> <p>23 take a break, now might be a good time. If</p> <p>24 you'd like to keep going, I'm happy to keep</p> <p>25 going.</p>
<p style="text-align: right;">Page 59</p> <p>1 A. I think it was like a one-time</p> <p>2 thing, that if they wanted a monthly amount,</p> <p>3 that they would have to send a letter. Not</p> <p>4 every month, if that's how it was going to be</p> <p>5 set up.</p> <p>6 Q. So, would the customer be able to</p> <p>7 direct BLMIS in its communication of how</p> <p>8 frequently --</p> <p>9 A. Excuse me, but I don't think</p> <p>10 that -- I don't think that that could be,</p> <p>11 because if it was in the middle of a deal they</p> <p>12 wouldn't send a check.</p> <p>13 Q. Sorry, you don't think what could</p> <p>14 be?</p> <p>15 A. I mean, if you wanted a check</p> <p>16 every month, that's impossible if you were in a</p> <p>17 deal, which we thought they were in deals.</p> <p>18 Q. I see. So for the accounts that</p> <p>19 were in the arbitrage strategy, they would be</p> <p>20 able to get their profits out?</p> <p>21 A. Yes.</p> <p>22 Q. Yes?</p> <p>23 A. Yes.</p> <p>24 Q. And would they be able to take any</p> <p>25 additional amounts out?</p>	<p style="text-align: right;">Page 61</p> <p>1 A. No, that's fine.</p> <p>2 (Trustee Exhibit 23 marked for</p> <p>3 identification.)</p> <p>4 Q. Ms. Sala, I'm showing you a</p> <p>5 document that's been marked Trustee Exhibit 3 --</p> <p>6 Exhibit 23, I'm sorry, which is bearing the</p> <p>7 Bates label beginning with AMF00162329.</p> <p>8 Ms. Sala, if you could just take a</p> <p>9 moment to review this document. Let me know</p> <p>10 when you're ready.</p> <p>11 A. I'm ready.</p> <p>12 Q. So, Ms. Sala, I'd like to just</p> <p>13 start with the very first page of the document</p> <p>14 ending in AMF00162329.</p> <p>15 Ms. Sala, does this look like the</p> <p>16 type of folder that you referred to earlier?</p> <p>17 A. Yes.</p> <p>18 Q. And does this appear to you to be</p> <p>19 a customer file maintained by BLMIS?</p> <p>20 A. Yes.</p> <p>21 Q. And does this appear to be the</p> <p>22 type of file where BLMIS stored correspondence</p> <p>23 from customers?</p> <p>24 A. Yes.</p> <p>25 Q. The very first page of the</p>

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff,

-against- Adv. Pro. No.
08-01789(SMB)

BERNARD L. MADOFF INVESTMENT SIPA Liquidation
SECURITIES, LLC, (Substantially
Consolidated)

Defendant.

-----x
In Re:

BERNARD L. MADOFF,

Defendant.

-----x
June 13, 2016
9:58 a.m.

- CONFIDENTIAL -

Videotaped Continued Deposition of JOANN
SALA, taken by attorneys for the Trustee, at the
home of JoAnn Sala, 23 Shady Court, Bay Shore,
New York, before SUZANNE PASTOR, a Shorthand
Reporter and Notary Public within and for the
State of New York.

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1 the check-out book?

2 A. Check-out book, mm-hmm.

3 Q. So you would make entries in the
4 check-out book after reviewing the due date
5 report.

6 A. Yes.

7 Q. And then once you made your entries
8 in the check-out book, what did you do with the
9 check-out book next?

10 A. We just always left it in the same
11 place. And anybody could go -- everybody knew
12 where it was to go and put a check in there.

13 Q. What place was the check-out book
14 maintained?

15 A. I believe it was in Jodi's office.
16 Jodi Crupi.

17 Q. After the information was entered
18 into the check-out book, what happened after
19 that?

20 A. I guess they were punched in on the
21 date that -- whatever date was on the page,
22 that's when they would go out.

23 Q. And there were employees at BLMIS
24 that were responsible for punching information
25 into the computer system?

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44 (Pages 170 to 173)

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<p>1 THE WITNESS: You're welcome.</p> <p>2 MS. CHAITMAN: As we discussed</p> <p>3 earlier, I'd like to reschedule at a time that</p> <p>4 is mutually convenient for everyone. I'm going</p> <p>5 to do my absolute best to get done in about</p> <p>6 2-1/2 hours, but I need the time to put it all</p> <p>7 together and I just don't have the time today</p> <p>8 because I have a commitment in New York at 5:30.</p> <p>9 THE WITNESS: Okay.</p> <p>10 MS. CHAITMAN: Okay? Thank you so</p> <p>11 much.</p> <p>12 MS. BROWN: We can go off the</p> <p>13 record.</p> <p>14 THE VIDEOGRAPHER: The time is</p> <p>15 2:04 p.m. This concludes the deposition. Off</p> <p>16 the record.</p> <p>17 (Deposition concluded.)</p> <p>18 -o0o-</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 JURAT</p> <p>2 I, JO ANN SALA, have read the</p> <p>3 foregoing deposition and hereby affix my</p> <p>4 signature that same is true and correct, except</p> <p>5 as noted above.</p> <p>6 _____</p> <p>7 JO ANN SALA</p> <p>8 THE STATE OF _____</p> <p>9 COUNTY OF _____</p> <p>10 Before me, _____, on this</p> <p>11 day personally appeared _____,</p> <p>12 known to me (or proved to me on the oath of or</p> <p>13 through _____ (description of identity</p> <p>14 card or other document) to be the person whose</p> <p>15 name is subscribed to the foregoing instrument</p> <p>16 and acknowledged to me that he/she executed the</p> <p>17 same for the purpose and consideration therein</p> <p>18 expressed.</p> <p>19 Given under my hand and seal of office on</p> <p>20 this _____ day of _____, _____.</p> <p>21</p> <p>22</p> <p>23 NOTARY PUBLIC IN AND FOR</p> <p>24 THE STATE OF _____</p> <p>25 My Commission Expires: _____.</p>																																																																					
Page 171	Page 173																																																																					
<p>1 ERRATA SHEET</p> <p>2</p> <p>3 WITNESS NAME: JO ANN SALA</p> <table border="1"><thead><tr><th>PAGE/LINE</th><th>CHANGE</th><th>REASON</th></tr></thead><tbody><tr><td>4</td><td>_____</td><td>_____</td></tr><tr><td>5</td><td>_____</td><td>_____</td></tr><tr><td>6</td><td>_____</td><td>_____</td></tr><tr><td>7</td><td>_____</td><td>_____</td></tr><tr><td>8</td><td>_____</td><td>_____</td></tr><tr><td>9</td><td>_____</td><td>_____</td></tr><tr><td>10</td><td>_____</td><td>_____</td></tr><tr><td>11</td><td>_____</td><td>_____</td></tr><tr><td>12</td><td>_____</td><td>_____</td></tr><tr><td>13</td><td>_____</td><td>_____</td></tr><tr><td>14</td><td>_____</td><td>_____</td></tr><tr><td>15</td><td>_____</td><td>_____</td></tr><tr><td>16</td><td>_____</td><td>_____</td></tr><tr><td>17</td><td>_____</td><td>_____</td></tr><tr><td>18</td><td>_____</td><td>_____</td></tr><tr><td>19</td><td>_____</td><td>_____</td></tr><tr><td>20</td><td>_____</td><td>_____</td></tr><tr><td>21</td><td>_____</td><td>_____</td></tr><tr><td>22</td><td>_____</td><td>_____</td></tr><tr><td>23</td><td>_____</td><td>_____</td></tr><tr><td>24</td><td>_____</td><td>_____</td></tr><tr><td>25</td><td>_____</td><td>_____</td></tr></tbody></table>	PAGE/LINE	CHANGE	REASON	4	_____	_____	5	_____	_____	6	_____	_____	7	_____	_____	8	_____	_____	9	_____	_____	10	_____	_____	11	_____	_____	12	_____	_____	13	_____	_____	14	_____	_____	15	_____	_____	16	_____	_____	17	_____	_____	18	_____	_____	19	_____	_____	20	_____	_____	21	_____	_____	22	_____	_____	23	_____	_____	24	_____	_____	25	_____	_____	<p>1 REPORTER'S CERTIFICATION</p> <p>2</p> <p>3 I, NANCY C. BENDISH, Certified</p> <p>4 Court Reporter and Notary Public of the States</p> <p>5 of New York and New Jersey, do hereby certify</p> <p>6 that, prior to the commencement of the</p> <p>7 aforementioned examination, JO ANN SALA was</p> <p>8 sworn by me to testify the truth, the whole</p> <p>9 truth and nothing but the truth.</p> <p>10 I DO FURTHER CERTIFY that the</p> <p>11 foregoing is a true and accurate transcript of</p> <p>12 the testimony as taken stenographically by and</p> <p>13 before me at the time, place, and on the date</p> <p>14 hereinbefore set forth.</p> <p>15 I DO FURTHER CERTIFY that I am</p> <p>16 neither a relative nor employee nor attorney nor</p> <p>17 counsel of any party in this action and that I</p> <p>18 am neither a relative nor employee of such</p> <p>19 attorney or counsel, and that I am not</p> <p>20 financially interested in the event nor outcome</p> <p>21 of this action.</p> <p>22</p> <p>23 NANCY C. BENDISH, CCR, RMR, CRR, CLR</p> <p>24 Realtime Systems Administrator</p> <p>25 Certificate No. XI00836</p> <p>Dated: May 20, 2016</p>
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1 p.m. Off the record.

2 (TIME NOTED: 1:36 p.m.)

3

4 JOANN SALA

5

6 Subscribed and sworn to before me

7 this day of , 2016.

8

9

10 _____
Notary Public

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1 WITNESS: _____
DATE(S): _____

2 CASE: _____

3 I wish to make the following changes, for the
4 following reasons:

5 PAGE LINE _____
CHANGE FROM: _____
CHANGE TO: _____

6 REASON: _____
7 CHANGE FROM: _____
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8 REASON: _____
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18 REASON: _____
19 CHANGE FROM: _____
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20 REASON: _____
21 CHANGE FROM: _____
CHANGE TO: _____

22
23 Subscribed and sworn to before me this _____ day
24 of _____, 2016.

25

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1 C E R T I F I C A T E

2

3 STATE OF NEW YORK)

4 : SS.

5 COUNTY OF NEW YORK)

6

7 I, SUZANNE PASTOR, a Shorthand
8 Reporter and Notary Public within and for the
9 State of New York, do hereby certify:

10 That the witness whose deposition is
11 hereinbefore set forth, was duly sworn by me and
12 that such deposition is a true record of the
13 testimony given by the witness.

14 I further certify that I am not
15 related to any of the parties to this action by
16 blood or marriage, and that I am in no way
17 interested in the outcome of this matter.

18 IN WITNESS WHEREOF, I have hereunto
19 set my hand this_____, 2016.

20

21

22

SUZANNE PASTOR

23

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25